



Valley Advocates for Responsible Development

The Perfect Storm

The confluence of current conditions could create a maelstrom of development in Teton Valley

Over the past five years, VARD has been a regular participant in and observer of Teton County government. During this time, Teton County has gone through the process of adopting a new comprehensive plan as well as new county ordinances in response to the revised plan. Now we are experiencing the first wave of development that has resulted from our updated “vision” and ordinances. Due to the incredible volume of new developments in Teton Valley, we are privileged to immediately observe how our new ordinances are working (or not working) in practice. VARD continues to deal with the details of new developments on a day-to-day basis, and we believe it is our obligation to you, the citizens of Teton County, to share the larger picture of our changing community that emerges from these details.

The analogy that most accurately captures the larger picture we see is *the perfect storm*— a situation where, by the confluence of specific events, what might have been a minor issue ends up magnified to proportions that are out of control and with broad impacts. In this case, the perfect storm of development could destroy the very elements that attract development here in the first place. Like the meteorologists who try to interpret many details across a wide area in order to forecast a future event, we may be only partially correct. But the possibility of a perfect storm of development is a real one. Unlike the weather, though, our representatives in local government have the power to alter the mix of ingredients that is fueling the storm of development in Teton Valley and in doing so create a different outcome.

In this issue, VARD explores the ingredients that are feeding a storm of development that has the potential to sweep away many of the aspects of Teton Valley that we all cherish. The following are brief descriptions of each of the ingredients and the relevant article on each.

As a reference tool while you read these stories, we have provided a development timeline (pages 4 and 5). The timeline chronicles the events and decisions that have led us to this present moment and that will determine much of the look and feel of development in the future.

- *The Current Pace and Scope of Development*, by Kim Billimoria, provides the background facts that demonstrate the intense development pressures that have been present for some time in our valley and the recent escalation in size and number of developments now under consideration in our cities and county.
- Sandy Mason’s article, *Rural Character: Open Space, Density and Habitat*, details how failures of language and resolve in our county’s comprehensive plan and resulting ordinances have resulted in huge allowable housing densities in even the most rural areas of the county. The open-space requirements included in our development ordinances have been rendered less than effective in practice because of these failures. The lack of adequate guidelines regarding open space threatens to divide required open space into pockets of landscaping within large dense developments. The prospect of suburban and urban densities in all parts of the county without meaningful open space could rob us of our most valuable asset: our rural character.
- Sandy Mason and Kathy Rinaldi teamed up to research *Teton Valley’s Critical Areas Deserve Forethought and Protection*, which sadly chronicles the failures of language and resolve in our new comprehensive plan with regard to sensitive and critical areas. These shortcomings, combined with massive rezoning in 2004 and 2005, have left us without effective ordinances to protect our groundwater, wetlands, riparian corridors, wildlife migration routes, or other important habitat in the face of intense development pressure in all parts of the county.
- In Kathy Rinaldi’s article *Our Main Streets: Economic and Social Cores*, the same documents reveal how the county is ultimately working at cross purposes with our cities. Current county ordinances allow commercial and industrial development in all parts of the county, threatening the economic viability of what should be our county’s economic core: our cities. The densities allowed in the county also compete with our cities as the best place to maintain high residential densities.
- In *Thoughts on Costs of Growth to the County*, I look into the financial costs to the county of current patterns of development. Taking into consideration other constraints to the budget, such as those mandated by state statute, this article offers some steps that the county could take to ensure a sound financial future, thereby safeguarding the citizens who rely on the county for essential services. —Jeff Carter, Executive Director



in this issue

The Perfect Storm1
 The Current Pace.....1
 Rural Character2
 Critical Areas.....3
 Development Timeline ...4
 Our Main Streets4
 Downtown Reclaimed5
 Cost of Growth6
 Real Estate Market.....7
 Final Thoughts.....8

The Current Pace and Scope of Development

by Kim Billimoria

It is hardly news that Teton County is experiencing a tremendous rate of growth. The signs of it are everywhere. For example, the number of real estate offices and real estate related businesses on Main Street Driggs, the rumble of construction-related vehicles up and down Highway 33, and the way real estate ads and articles about new developments dominate the local newspaper.

There are several large developments in the planning stages that will forever change the look and feel of the valley, and have big implications for county services. The best publicized of these is the **Grand Targhee** expansion which will increase the number of visitors as well as draw new residents to live, work, and play in Teton Valley. The resort plans to expand to 907 units, including residential, employee housing, and resort units.

The **Blackfoot Farms** development in Driggs will incorporate a new county court-

house with residential development: a new mixed-use downtown neighborhood as well as an exclusive gated community, Huntsman Springs, west and north of town. The gated community will feature an 18-hole golf course, a convention center, and an equestrian center along with a minimum of 700 units.

River Rim Ranch is the first major development in the predominantly agricultural northern end of the valley. Covering 5400 acres, it is designed as an exclusive resort community. Another 4000 acres north of River Rim Ranch was recently sold to a developer, as well as at least five additional farms throughout the valley, totaling thousands of acres, with others on the market.

Shoshoni Plains is a 10-phase development that, when annexed into Driggs from the east, will double the population of the city. **Copper Ranch**, just north of Victor, has similar implications for that city.

In addition, there are numerous smaller developments proposed, the cumulative effect of which is just as significant as that of the big developments. In 2005, 18 new subdivision applications were approved by the Teton County Planning and Zoning Commission, adding an additional 347 lots to the county. 2006 shows a much accelerated trend. At the time of writing 30 subdivisions are already pending approval, which contain 3155 lots. If all these subdivisions are approved, the number of building lots in Teton County will double. These numbers do not reflect the number of lots being added within our cities.

Although development and growth are inevitable, necessary, and desirable for a healthy community, how it unfolds on the ground is determined by our ordinances in accordance with our comprehensive plan. We must make sure that the ordinances we have in place guide the look and feel of our growth and development in such a way that it only enhances our magnificent valley’s singular character.

VARD

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Valley Advocates for Responsible Development

MISSION: To advocate for the private, public and civic actions that will result in the responsible development and sustainable use of natural resources (water, land, wildlife and air) in Teton Valley.

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VARD is a membership-based organization that relies on donations to continue to fulfill its mission. The goal of our Spring Fund Drive, which runs through April and May, is to raise \$100,000 towards our general operating costs. If you found this newsletter informative and think VARD's work is important and making a difference in the valley, please consider joining us in this effort. A membership form is located on the back page.

RURAL CHARACTER: Open Space, Density and Habitat

by Sandy Mason

Who would have thought that “open space” would become an important issue in Teton Valley, or for that matter the West? When I first visited this valley in 1981 there seemed to be nothing but open space. One could look out to the west and east and see very few houses or man-made structures. Today that landscape is rapidly changing. The West, and especially Idaho, is growing at an incredible rate. With this rapid growth comes prosperity, but also many problems and challenges as it can greatly change the physical landscape that attracted new residents here in the first place.



photo by Kestrel Aerials Services, Inc.

Riparian areas and open space are amenities for both humans and wildlife.

What the People Want

Teton County recently updated its comprehensive plan. Throughout the plan and its ordinances, the value of open space is brought up often as an important component of our rural character and an important building block of our economic well-being. Chapter 8 of the plan, *Economic Development*, states that “open space and rural atmosphere are considered to be of economic importance in that these values are a part of what is attracting growth.” Policy 3 of the plan sums it up: “One of the county’s prime economic values is the attraction of a rural, small-town lifestyle, magnificent views, clean air and water, and an abundance of outdoor recreational opportunities. Development and land-use proposals that support and balance these values with desirable growth should be encouraged.”

The comprehensive plan is an essential document designed to be a guide for growth in Teton Valley. Legally, Idaho State statute requires that our zoning and subdivision ordinances must be in accordance with our comprehensive plan.

The crux Teton Valley faces is this: How do we protect all the things that brought us here while the valley experiences so much development pressure? Since the beginning of 2005, close to 50 subdivisions have been approved or are in the pipeline in our county and the cities, totaling almost 4200 lots.

Teton Valley could absorb this amount of growth and still maintain our sense of rural place if the right ordinances were in place to carefully channel development according to the vision of the comprehensive plan. The problem is that some of the language in the plan is vague and the resulting ordinances are open to interpretation. Depending on the make up of the P&Z and county commissioners, at any given time the interpretations could vary widely. When we look at the series of decisions made since 1992, the future character of Teton Valley remains cloudy at best. (see *Development Timeline* on page 4 & 5)

Density-based PUDs: Better but not Good Enough

Given the importance that the comprehensive plan placed on open space, a new density-based planned-unit development (PUD) ordinance was passed. One of its key provisions was the requirement to protect open space by having each new development incorporate 20-50% open space, depending on where the parcel of land was located. For example in the Rural Reserve area, which encompasses the most rural parts of the county, 50% of a PUD would have to be open space. This is definitely a better approach than the conventional 2.5-acre subdivision, which created cookie-cutter lots and no designated open space. The new PUD, also, allows the developer to sell the open space as a private

lot to an individual owner. This added flexibility is a good addition to the PUD allowing the developer more flexibility and potentially greater profits.

However, now the challenge is to interpret what constitutes “meaningful and significant” open space, as required by the ordinance. If the open space does not meet the intentions of the comprehensive plan by preserving the rural sense of the county, then we are losing the valley’s sense of openness one PUD at a time.

VARD has been monitoring new developments in Teton Valley for four years. Many of the proposed developments using the new density-based PUD have not used the required open space effectively in their design in keeping with the primary goal of preserving the rural sense of the county. Many of the designs are suitable for a suburban area, breaking the open space into smaller units to promote a pleasing feel within the PUD itself, but the overall layout is inappropriate for a rural area.

To help promote good open-space design in line with the intention of the ordinance, VARD has begun to offer free design assistance to developers. VARD presents redrawn plats in the hope that the proverbial picture is worth a thousand words and that by illustrating creative open space use, the benefits will be obvious. Good design makes a project easier to market, but it also helps preserve what so many folks love about this area.

In addition to poorly defined (and therefore poorly designed) open space, the amount of building units allowed under the new ordinance is too high. This is especially true in the rural parts of the county. If the Rural Reserve area of the valley were developed at the maximum-allowable density, close to 54,000 additional homes could be built with an increase of some 150,000 people. This scenario is probably unlikely, but the effect of allowing more density than is projected makes planning and zoning ineffective with pockets of density spread throughout the county.

For example: we now have in the valley a 5400-acre development and many large farms have recently been sold to developers. If 1000 acres are developed as a PUD, 500 acres would remain open with the possibility of a number of large-acreage lots carved out of

265	.....	Number of platted subdivisions in Teton County
30	.....	Subdivision applications pending
6131	.....	Total units/lots in subdivisions in Teton County
3848	.....	Units/Lots sold in Teton County
1787	.....	Units/Lots built in Teton County
3155	.....	Units/Lots in pending subdivisions
5,999	.....	Current population of Teton County, Idaho
192,943	.....	Population that current zoning would sustain, if the county is built out using median allowable density
900-1200	.....	Estimated current daily winter trips on Ski Hill Road
2500	.....	Estimated daily winter trips after Grand Targhee build out complete
9 of 10	.....	Americans want states to fund improvements in existing communities over incentives for new development in the countryside

Sources: Teton County Planning & Zoning office, Grand Targhee Expansion Application, <http://www.mainstreet.org/content.aspx?page=7966§ion=16>, *Teton Valley News*, National Survey on Communities, COSS study

— **RURAL CHARACTER continued pg 7**

Teton Valley's Critical Areas Deserve Forethought and Protection

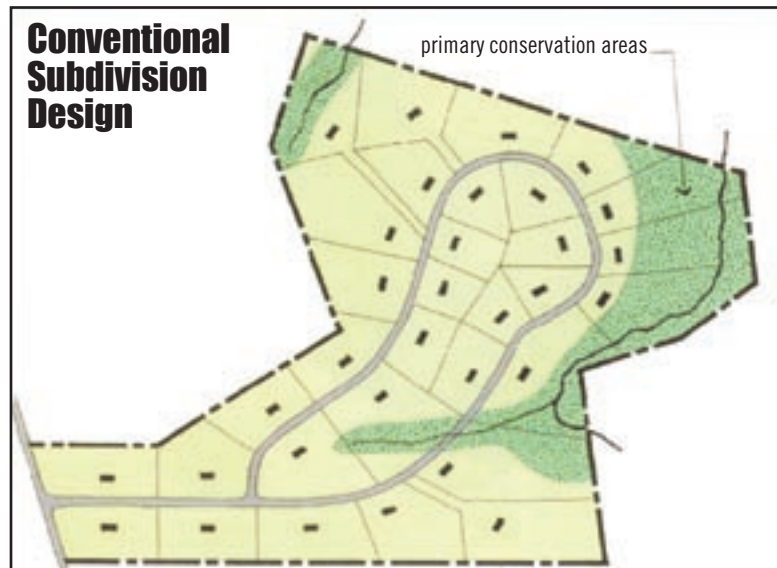
by Sandy Mason and Kathy Rinaldi

Imagine for a moment that you have been away from Teton Valley for some time. Close your eyes and visualize what makes the valley such a special place. Focus on the natural environment: what do you see? Envision majestic mountains surrounding a broad valley with the beautiful Teton River flowing through its center and meandering tributary streams flowing into it. From above these corridors along the streams and the river look like green ribbons, narrow in some places and many hundreds of yards wide in other places, filled with cottonwoods, aspens, hawthorns, chokecherry trees, and many other species of trees and shrubs. Look closely and you see the corridors are full of birds and animals. You realize that these are wildlife highways—safe corridors for deer, moose, elk, and many other critters to move from habitat to habitat around the valley.

You see large stands of willows dotting the landscape in wet areas where water is coming to the surface. If you're quiet, you hear bird calls floating into the air. These wet areas and ponds support an amazing variety of shorebirds, ducks, swans, cranes, and geese making the valley an important nesting area and stop over for all types of migrating birds and raptors.

Now move deeper into your mind's eye and envision the valley 10 or even just five years from now. You soon see that more and more houses are being built. Teton Valley is no longer a quiet mountain retreat. It has been discovered. Now imagine the growth with no regulations to protect the natural areas and all that made Teton Valley unique in the first place. Where have those green ribbons gone? When was the last time that you saw a moose in the willows? Where have the gray owls gone? Do you miss the primeval call of the thousands of Sandhill Cranes that used to stop over in the valley? What happened to the ecological richness of Teton Valley?

Over the past 10 years we have experienced a tremendous amount of growth in Teton Valley, some of the highest growth rates in the state and in the West. People often equate growth with the ruin of all the things that are valuable to a community—in this case, our critical areas. However, this doesn't have to be the case. In fact, we can choose to protect our most valuable asset: the natural resources of Teton Valley.



TOP: Conventional subdivision design with a loop road, large lots, no common open space, and lack of attention to landscape amenities—typically difficult for residents to maintain and fails to provide a feeling of openness or privacy.

BOTTOM: A conservation subdivision design incorporates the same density with thoughtfully designed open space, conserves natural amenities while creating more natural space and privacy. Clustering the homes also creates more sense of community for neighbors. A pathway network allows residents access to enjoy the natural areas. Smaller lots still provide diversity and privacy, but are also easier to maintain.

Plans courtesy of Randall Arndt, Delaware County Regional Planning Commission, Delaware County, Ohio

27,000 Acres of wetlands
4 Listed threatened species in Teton County
at least 3 Big-game transitional habitat areas of significance to the Greater Yellowstone Ecosystem
2 Active bald eagle breeding areas

Source: Teton Regional Land Trust

Unfortunately, over the past two years, Teton County has done little, and in some instances has actually worked against, protecting critical areas. In 2003, during the drafting of the new county comprehensive plan, there was a race in the county to rezone many large parcels from Ag 20 to Ag 2.5. Over 20,000 acres in the county were rezoned, leaving many critical areas vulnerable to development. The previous Ag-20 zoning was a result of planning efforts in the county's previous comprehensive plan in 1996. The intention for larger-acreage zoning was to protect farmland and ecologically vulnerable areas, such as riparian corridors and wetlands. The 2004 P&Z commission did not understand the original intention of the Ag-20 zoning when they allowed many sensitive areas to be rezoned Ag 2.5, or else they believed that the vision of the community had changed and these areas were now ready for development.

On the other hand, the county P&Z also recognized that by granting 2.5 zoning in areas surrounded with Ag-20 zoning, they had begun a snowball effect that would ultimately undermine agricultural efforts and destroy critical areas. They passed a resolution to not grant more 2.5 zoning on the west side of the Teton River, but were ultimately unable to say no when the request came before them. In trying to be fair to everyone, their efforts ironically resulted in fairness to no one.

In late 2004, with the adoption of the new comprehensive plan, the county allowed a dramatic increase in density in the rural areas of the county, even denser than the previous Ag-2.5 zoning. And although there is a requirement for open space, there is little direction to where or what open space should be. Many agencies and organizations saw the writing on the wall for critical areas, VARD being one of them. In the summer of 2005, these groups proposed an ordinance to protect sensitive groundwater areas using Nutrient Pathogen Studies, a widely used model that helps identify sensitive areas and helps decision-makers plan those areas for sustainable development. The county planning and zoning commission rejected the ordinance based on a lack of information. VARD is currently working with these groups to gather the information requested by the county for them to reexamine whether groundwater protection is needed.

In the meantime, a number of subdivisions have been proposed over the past six months in critical areas, both in terms of wildlife habitat and sensitive groundwater areas. Most of these new subdivisions incorporate poor design of open space, leaving much of the area most suitable for building as open space and the areas most sensitive to wildlife and water protection as lots. It doesn't take much to destroy a wildlife corridor. In fact, it takes just one poorly designed subdivision to ruin a prime highway like the South Leigh Creek corridor or Fox Creek Canyon, both of which are used by a wealth of animals. In February of 2006, VARD recommended to the county Planning and Zoning Commission to consider adopting an ordinance to protect important wildlife habitat and corridors. The commission again rejected this recommendation based on County Planning and Zoning Administrator Larry Boothe's assertion that this type of ordinance is illegal due to the lack of any kind of state- or national-enabling legislation—a gross misconception. In fact, many cities, counties, and regions have adopted legislation to protect important lands because it is in the general welfare of the citizens, a duty that also falls under the responsibility of Teton County "to protect the health, safety, and welfare of its citizens."

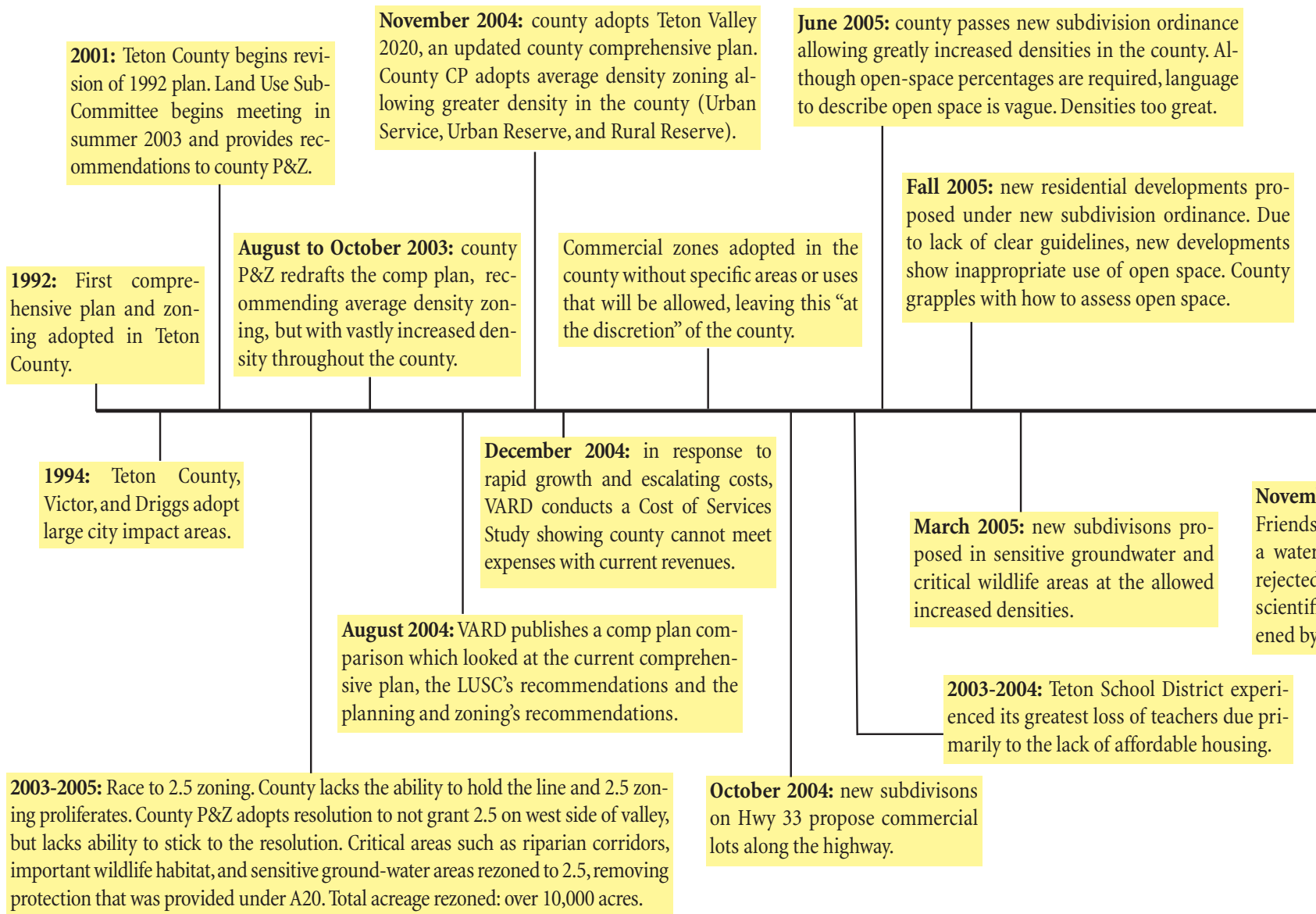
Major changes rarely happen overnight. They happen in small increments, typically without much notice. By the time you realize it, the landscape around you has changed forever. Change will continue to come to Teton Valley. One can only hope that we will have the will and the tools to deal with it.

Protecting our critical areas is one of those tools. By identifying and protecting our critical areas, such as wildlife habitat and sensitive groundwater areas, Teton County can take a big step towards keeping the community a special place to live. Critical areas are important to protecting our groundwater, keeping open space viable, and making sure that the valley's wildlife has enough habitat to thrive in. All of these factors play a large role in maintaining and enhancing Teton County's economic viability. Our natural features are one of our most valuable resources and deserve our undivided attention. **VARD**

Over the past two years, Teton County has done little, and in some instances has actually worked against, protecting critical areas.

DEVELOPMENT TIMELINE

This timeline depicts the progression of the development “storm” in Teton County. These various components or events began in 1992, with the most significant taking place in the last three years. Each “minor” event has come together to create an out-of-control situation with broad results.



A downtown where people are able to live, eat, shop and be entertained within walking distance of their homes creates an atmosphere of a dynamic, vibrant and economically prosperous downtown with businesses able to support higher rents.

OUR MAIN STREETS: Economic and Social Cores by Kathy Rinaldi

In the last 30 years, communities across the country have been working hard to redevelop their traditional commercial districts. Reasons for redevelopment range from preservation of historic buildings, culture or community character to boosting economic vitality by reducing sprawl, broadening the tax base, creating jobs or protecting property values. From 1980 to December 2004, over \$23.3 billion has been reinvested into traditional commercial districts in more than 1800 communities across the nation. This reinvestment equated to the creation of 308,370 new jobs and 107,179 building renovations.

Why the initial disinvestment in downtowns? After World War II there were a number of federal policies and actions that, purposefully or not, created a powerful movement away from urban areas. Low-interest loans from the Federal Housing Administration and the Veterans Administration Program were directed at new single-family suburban construction and discouraged the renovation of existing housing. Simultaneously, the interstate highway program, coupled with federal and local subsidies for road improvement and the neglect of mass transit, helped make automotive commuting affordable and convenient for the average citizen.



Victor has continued to expand its downtown core.

Now we have come full circle and are experiencing a rebirth of the downtown. Increasing fuel costs and travel times have made suburban life seem less desirable while the convenience of services and amenities for residents and businesses have made downtowns an attractive place to relocate.

Efforts in Teton Valley to Redevelop our Economic Cores

Over the past three years the cities of Driggs and Victor have made strides to boost redevelopment on their respective Main Streets in their downtown cores. In 2003 the Downtown Driggs Community Association produced a rendering of a new street design for the Main Street section of Highway 33. The city of Driggs has adopted the design and presented it to the Idaho Transportation Department. An Urban Renewal District was formed that created an avenue to allocate tax money for improvements in the downtown district. Recently, Driggs hired consultants to rewrite the Design Standards and Guidelines and create a transportation plan for the city. In Victor, their newly adopted comprehensive plan has language that identifies and supports preservation of historic buildings, downtown revitalization and community character—all key components to encouraging reinvestment in downtown.

What is Hindering Reinvestment on Teton Valley's Main Streets?

When asked, most local officials assume that the biggest hindrance to redeveloping the downtown cores is high real estate prices. In the past five years land values in Teton Valley have dramatically increased and nowhere is that more apparent than in the downtown commercial properties of Driggs and Victor. What once seemed an impossibly exorbitant and unrealistic price is now a reality. Just two years ago, \$600,000 for a lot seemed out of range, now that price is well over a million. The speculative real estate market, where purchasers hold on to real estate and then “flip” the property for a higher price, has caused a disincentive to develop land. The selling prices are significantly higher than the average rental rates downtown, which has created an environment where only those who can afford to subsidize rental rates are able to develop, leaving many parcels vacant or decrepit.

However, this barrier to redevelopment is common in communities grappling with redevelopment where costs exceed rents. There are many tools available and lessons learned from other communities including innovative financing and progressive zoning. For example, what would directly prime the pump for downtown redevelop-

December 2005: Grand Targhee expansion public hearings begin. Affordable housing requirements needed for approval, questions and concerns over where affordable housing should be located.

October - November 2005: Blackfoot Farms offers a large public donation, including a new county courthouse. Design charrette conducted to help master plan the property and where to locate the new courthouse. Recommendations from charrette include commercial and residential zoning in and around Driggs with the greater part of the county remaining rural.

December 2005: VARD commits to spearhead the efforts to establish an affordable housing organization in Teton Valley and research how cost sharing can be established between the two Teton Counties to help alleviate the service costs to Teton County, ID.

January 2006: VARD collaborates with Friends of the Teton River, Idaho Department of Environmental Quality and the University of Idaho to generate a study to measure water quality in high growth areas of the county.

VARD updates the COSS over concerns that growth is out-stripping services, to examine how future costs of services.

January 2006: Teton County P&Z Administrator Larry Boothe releases a report in which the numbers confirm that a development “storm” in Teton County is upon us.

December 2005: VARD, in collaboration with Friends of the Teton River, drafts and proposes a water quality protection ordinance, which is adopted by the P&Z on the grounds that it lacked scientific data that water quality is being threatened by growth.

January 2005 to February 2006: During these 15 months, 48 subdivisions were passed or are pending approval in the county. The total number of additional lots will be 3502 if all are approved as proposed—an increase of 50% valley wide.

New subdivisions selling quickly, yet not being built on. Investment/speculative market in Teton Valley is strong. Many unsold lots question whether growth is paying for itself. Unplatted, yet rezoned, land is being assessed at agricultural values (aka: the “developer’s discount”).

VARD works with developers on better subdivision designs, particularly for open space, infrastructure and density.

VARD collaborates with Teton County to produce a guidebook for new residents on living in rural parts of the county: *Commonsense Guidelines for Living in Teton County, Idaho*

ment and help balance real estate and rental prices is to make the properties valuable beyond speculation by getting more people downtown. In other words, by encouraging residential units and density downtown we would encourage people to live downtown (see *Downtown Reclaimed: Tinley Park, Illinois* on the next page). A downtown where people are able to live, eat, shop and be entertained within walking distance of their homes creates an atmosphere of a dynamic, vibrant and economically prosperous downtown with businesses able to support higher rents.

Cities and County at Odds

One theory that was acted on by the county to address high real estate prices on Main Street was to create similar zoning outside the downtown core. In 2004, Teton County overruled the city of Driggs and granted commercial zoning outside of the city limits along Highway 33. One stated reason for granting the zoning was that increasing the supply of commercial land would help drive prices down on Main Street and encourage new business. Unfortunately this was not the case. The rental rates on the new commercial property are actually higher than downtown rental rates, showing that the developer did not pass his cost savings on to new business. Additionally, the new commercial area has created commercial sprawl along the highway, degrading the scenic byway—one of the amenities that makes Teton Valley unique.

With the adoption of the new county comprehensive plan in 2004, the densities allowed in the county have dramatically increased. Two of the zones,



Zabrocki Plaza (foreground) and renovated older buildings (background) have been realized in Tinley Park, Illinois, through a progressive community vision and innovative financing tools.

Downtown Reclaimed: Tinley Park, Illinois

Tinley Park, a small suburb south of Chicago, had a dying downtown—transformed by strip malls and big-box stores in neighboring suburbs. In the mid-’90s, the city identified the need to redevelop their downtown and turn it back into a place people wanted to live, visit, and recreate. A Tax Increment Financing District (TIF) was established in 1994, creating a tax allocation for improvements in the district such as street beautification and parks. The city also established a facade-improvements program whereby businesses in the downtown applied for a \$35,000 grant by the city to improve their building facades. Ivan Baker, Tinley Park’s Economic Development Director stated, “We couldn’t have done any of the projects downtown without the vision and commitment by the local leaders as well as key business leaders—those with the resources to get the projects off the ground. It was really a joint effort from the public and private sectors.”

What fueled the improvements project was the underlying factor that the city needed to create an environment to attract and keep people downtown. “Downtown redevelopment is not a new thing and we didn’t want to waste time reinventing the wheel,” Baker explained. “We knew we had to get more people downtown and found out there is a simple recipe for that—The Three Rs: residents, restaurants, and recreation. We needed to get people to live downtown, we needed restaurants to draw people downtown, and we needed to provide events for people to do when they were downtown,”

Through a strong vision and commitment, Tinley Park’s revitalized downtown now serves as a model for other cities. Their downtown has a renovated rail station, many facade improvements, new mixed-use development projects, parking infrastructure improvements, street improvements including Zabrocki Plaza (park), decorative lights and landscaping, special downtown events, many new businesses and residents, and a stronger tax base. **VARD**

The notion that the county needs to compete with the cities for commercial tax dollars is not only grossly inaccurate but will eventually cause the demise of both.

Thoughts on the Cost of Growth to the County

by Jeff Carter

Across the country, study after study has shown that residential development almost never pays for itself. In other words, the taxes collected from residential developments do not cover the costs of the services required for the developments such as roads, law enforcement, waste disposal (landfill or transfer station), planning staff, building inspectors, etc. This trend has held true for our county.

In 2004 VARD commissioned a Cost of Services Study (COSS) for Teton County. The COSS showed an ever-increasing shortfall between revenues and expenditures, which will eventually result in the depletion of the county's reserve fund. This is due not only to the increasing number of people requiring services but also to increases in the costs of providing those services: for example, the rising costs of employee benefits and elevated fuel costs for snow plows and law-enforcement vehicles. Additionally, unfunded state and federal mandates continue to challenge the budget.

The fact that the county is likely to lose money does not mean that we should try to stop residential growth, but we need to factor in our growth patterns and how we can plan the community most efficiently and cost effectively. A fiscally and socially responsible county government will make sure they know where the additional money is going to come from to make up the difference between the taxes we are able to levy and the cost of providing services.

State Mandates and Their Effects Locally: The Three Percent Cap

Limitations on property-tax revenues, which are stipulated by state statute, create the need for deliberate financial planning by Idaho counties. According to statute, property-tax revenue collected by county governments can increase no more than three percent above the highest amount collected during the previous three years. This statutory limitation has caused problems in rapidly growing counties like ours where the demand for services is growing far beyond three percent. New construction paying taxes for the first time helps raise additional revenue above the three-percent increase. In other words, as long as new construction continues to come online, property taxes are increasing by approximately seven percent each year rather than the base three percent. This percentage increase is still not enough to keep up with increasing costs.

To generate additional money, the county has steadily increased fees associated with the planning office such as development-

application fees and building-permit fees. These fee increases are used to not only cover the cost of the planning office but also to help cover the costs associated with other government purposes. In spite of these efforts, however, the long-term projection remains bleak.

The Trend for Teton County

The four-year period from 2000 to 2003 examined by the COSS showed a trend that was leading the county toward financial ruin. The 2004 and 2005 numbers will soon be added to the COSS. A preliminary look at these numbers has fortunately shown that through strict adherence to the budget and limiting cost increases to only one percent per year, the county was able to avoid dipping into their reserve funds for the first time since 2001. But doing so comes at the cost of keeping services flat or reducing services.

How long can Teton County continue to operate in the face of increasing costs and rapid growth, where each house built represents a net loss in revenue? There will come a point where even with the most disciplined of cost cutting, revenues and expenditures will become irreconcilable.

To adequately address this issue, our county officials need to do four things:

1. Get the most accurate financial information to assess their financial situation.

Specifically, they should build on the resource already given to them and aid in updating the COSS report (or conduct their own COSS) as soon as possible. They should factor in their fiscal discipline of the past two years in an effort to better understand the effects of that discipline. Will holding the line combined with cutting costs dig the county out of the hole it is in while allowing for the necessary increase in essential services, or must the county take further measures?

2. Examine the effect of holding services flat in the face of increasing demand.

Particularly, how will this approach affect the health, safety, and welfare of the citizens of Teton County? How does decreasing services or flat services affect the current prosperity we are deriving from our growth?

3. Examine the pattern of growth allowed under current ordinances and ensure that they are as cost effective as possible.

Teton County needs to ensure that the densities allowed in the most rural areas of our valley are cost effective. For example, River Rim Ranch, a 5400-acre residential

development in Teton, uses less density than allowed, with 600 lots instead of the allowable density of 2500 lots. And while they should be applauded for choosing fewer lots, this is still more lots than we have in any of our cities. Unfortunately the majority of new developments in the rural part of the county, albeit smaller in scale, are requesting the maximum density allowed. This growth pattern just does not make fiscal sense, because:

- Greater distances for law enforcement, the fire department and other emergency responders costs the county more and potentially compromises public safety.
- School buses must also travel further and make more stops, adding to the burden on the school district and increasing the time children spend on buses, which translates into a safety issue.
- Increased traffic requires more road maintenance and may lead to traffic congestion and pollution.
- At such a distance, it is unlikely that these developments could connect to the sewer system, which begs the question of the ultimate safety of our groundwater.

County ordinances should support the cities as the logical places for density.

4. Work actively to identify and capture other sources of revenue.

- Many communities rely heavily on grant money. A grant writer could identify and capture additional funds for the county.
- As the Grand Targhee expansion moves through the approval process in Wyoming, Teton County, ID needs to work cooperatively with Teton County, WY to ensure that Teton Valley, ID captures all the possible benefits of the expansion.
- Conventional wisdom is that impact fees won't work in Teton County because the start-up costs are too great. With more and more subdivisions being approved, a closer look at impact fees as another potential revenue stream is called for.
- There is some financial relief for Idaho's fast-growing counties at the state level. Other fast-growing counties have banded together to lobby the legislature. Teton County needs to join in their efforts.

In the past, arguments about development in the county have centered on what kind of development and where. Developers are required to note on their development applications how much additional tax revenue their development will provide to the county when they are fully built out. What is missing from the discussions on development and from the development applications is the net cost of development to the county.

Responsible development entails responsible government that has an accurate picture of what our future needs will be in terms of infrastructure, law enforcement, jails, waste disposal, etc. We must also know what those needs will cost and where the money will come from. There are many ways to spoil the prosperity in our valley. One sure way is to not have enough revenue to provide the services that a growing county requires. **VARD**

The fact that the county is likely to lose money does not mean that we should try to stop residential growth, but we need to factor in our growth patterns and how we can plan the community most efficiently and cost effectively.

5 fastest-growing counties in Idaho—

in order: Teton, Canyon, Blaine, Madison, Boise

The #1 fastest growing county in Idaho—

Teton County

4 of 5..... Number of fastest-growing counties in Idaho with a full-time planning administrator

1 of 5..... Number of fastest-growing counties in Idaho without a full-time planning administrator: **Teton County**

Source: *Idaho Statesman*

THE REAL ESTATE MARKET: Price and Demand Continue to Rise

Mark Neumann, a realtor with American Realty West, recently answered a few questions about the current real estate market in Teton Valley and some thoughts about future trends.

Who is buying:

The number of regional buyers has flattened and visitors have increased since 2001 from a 60-40 split to an 85-15 split.

Who can't buy:

It is becoming price prohibitive for the local work force, unless they have help from family.

What is selling:

Listings are more for new lots, developments. Land is still the purchase of choice.

Who is developing:

The majority are out of area developers, maybe a 70-30 split.

Rising real estate prices:

It is hard to predict pricing and pace of demand. Sustainability of growth and price increase is difficult to imagine at this pace. Our prices seem inexpensive to the out-of-area buyers, which seems to be a driving factor in demand. The valley's uniqueness in beauty and outdoor enjoyment makes it very desirable. Also, the increase in press the valley has received in national publications has raised the awareness, which in turn increases activity in real estate sales for investment, personal use, and development. **VARD**



33%	Percentage of Teton Valley residents who commute to other communities for work
\$26,000	Average salary of an elementary school teacher
\$83,158	House price considered affordable for someone earning \$26,000
1	Number of homes in Teton Valley on the MLS currently listed for under \$100,000 (on 2/28/06)
9 of 116	Homes on the MLS listed at \$200,000 or less (on 2/28/06)

Sources: MLS listings, www.payscale.com



Clustered housing preserves open space and rural vistas (left), supporting the same number of dwellings as a landscape with houses spread across it (right).

illustrations by Dan Glenn for the Park County Environmental, courtesy of the Greater Yellowstone Coalition

— RURAL CHARACTER from pg 2

the open space, and between 200-300 homes could be allowed on the remaining 500 acres. Essentially, another town is born.

Recently several PUDs that have come before the Planning and Zoning Commission have requested the maximum-allowable density. This has generated much discussion amongst the commission members as to the amount of density that should be allowed and how open space should be used. The P&Z is the county's first line of defense in making sure that developers' proposed plans follows the intent of the comprehensive plan and conform to the county ordinances. When a poorly conceived plan comes before the commission, it is their obligation to ask the developer for a better plat. That has been happening to some degree with our current P&Z, but there is no assurance that it will continue over time due to the lack of specificity in the ordinance.

Wildlife Habitat Linked to Open Space

Another important reason to carefully consider the quality of what we deem to be open space is that it could mean the difference between preserving or losing wildlife habitat and the animals whose lives depend on it. As Teton Valley continues to grow, meaningful habitat will become a bigger issue. Do Teton Valley residents value wild-

life? The comprehensive plan process and resulting document indicates that they do. According to Chapter 2, *Purpose of The Plan*, one of the goals of the plan is "to protect fish, wildlife, and recreation resources."

It is important to look at the valley as a whole when planning and zoning Teton County. If we continue looking at the open space as a series of postage stamps or narrow strips of land throughout the valley, then meaningful open space and habitat will be lost. Wildlife does not know or respect subdivision boundaries. If we are going to set aside open space, it behooves us to ensure it serves to enhance wildlife habitat and preserve wildlife corridors.

Chapter 6, *Implementation 4*, of the comprehensive plan states, "Amend the subdivision ordinance to encourage newly designated PUD open space to adjoin existing protected open space, and provide, to the extent feasible, visual access to open space." The use of the word "encourage" here is another example of weak, unenforceable language. If the county had required that open space be contiguous to other open space, larger tracts of land would be protected. This in turn will protect wildlife habitat and keep the sense of rural space that the residents of Teton Valley value so highly.

Open space, appropriate rural densities, and habitat protection just plain make good sense. An untamed landscape, with its concordant wildlife, is one of the main

building blocks that have made Teton Valley such an attractive place to live. Requiring a high standard of open space from developers with reasonable densities protects one of the core values of the valley, holds up land values, benefits the developer monetarily, and maintains a rural quality of life for future generations to enjoy. **VARD**

Teton Basin Conservation Planning Seminar

The Teton Regional Land Trust will host a community Conservation Planning Seminar on Thursday, April 6 at 6:30pm in the Teton High School Cafeteria in Driggs. This event is free and open to the public.

Public participation is welcomed and encouraged. For questions, please contact Matthew Lucia, Teton Regional Land Trust, 208.354.8939.

City of Driggs Transportation Plan Open House

Thursday, April 20, 5-7pm
(drop by anytime)

Teton High School Cafeteria

- Learn about existing transportation conditions and problems
- Make suggestions about how to improve transportation
- Let your voice be heard!

An untamed landscape, with its concordant wildlife, is one of the main building blocks that have made Teton Valley such an attractive place to live.

the Urban Service Area and the Urban Reserve Area, which were created with the intention to “create a buffer with the cities” actually have densities higher than those allowed under the cities’ ordinances. This raises the question of whether a buffer actually exists. Also, this increase in allowable densities signaled that more land should be developed in the county—and that is exactly what has taken place. In just 15 months, Teton County has reviewed nearly 50 subdivisions and most have utilized the maximum density allowed. To complicate matters further, in early 2005, Teton County introduced commercial zoning based on the assumption that some commercial uses are more appropriate in the county than in the cities or their areas of impact. However, the ordinance does not contain adequate guidelines to make that distinction.

The allowable densities outside the cities, coupled with commercial zoning, will further contribute to a disinvestment in our downtowns and make redevelopment more challenging. Ultimately this recipe of local decisions will erode a historically strong tax base, the

heart of our community, and dramatically affect the look of Teton Valley.

The new commercial zoning is currently being tested with an application for a commercial development on a large residential subdivision, River Rim Ranch in Teton, which is owned by Teton County Commissioner Roger Hoopes. The proposed commercial development would include many retail uses such as restaurants, shops and a gas station—all of which are allowed and appropriate uses in the cities or their impact areas. In addition to River Rim Ranch, Jackson Hole Log Homes on Hwy 33, South Leigh Subdivision on Hwy 33, Hatch’s Corner and Teton Saddleback Estates Subdivision on Hwy 33, and Darby Canyon have either asked for commercial zoning along the highway or have set aside “highway lots” in the hope of obtaining a commercial zone in the future.

An Experiment in Land Use: What Next?

Will we see more commercial sprawl along the Hwy 33 scenic byway and a continued degradation of our downtowns in the future? It’s hard to tell. The language adopted by the county to address commercial uses is vague,

allowing much discretion to the decision-makers at the time. Clearly, commercial sprawl along Hwy 33 is not what the community wants. In addition to language in the county comprehensive plan, during the public hearings on the zone even those few who spoke in favor of the zoning also stated they did not want to see a commercial strip from Teton to Victor. Yet, as indicated by the current applications for the zone, that may be exactly what we will get.

Instead of going down the path of ruin, realizing our mistake and then spending to build back what we lost in our downtowns, we should learn lessons from other communities. Teton Valley is not a large community. It is easy for us to focus on our specific areas—whether that is Teton County, Victor, Driggs, or a particular development like River Rim—but ultimately we are all in it together. A community is a tangled web, and thankfully so, because the benefits we create are shared. Conversely the detriments are shared as well. Although growth and development are coming at break-neck speed, if you look around the valley, most of it is still undeveloped. We still have the opportunity to take the lessons learned

and not reinvent the wheel.

Recently the cities and the county have agreed to meet regularly to talk about a regional sewer district, an issue that is a direct effect of growth. This is a start. Maybe during these discussions the cities and the county can truly address the issues facing the valley and start to think of how to plan Teton Valley for the benefit of all the segments of our community.

Specifically, the county needs to recognize and accept that the cities are *in* Teton County and that together they need to work to meet a common goal. The notion that the county needs to compete with the cities for commercial tax dollars is not only grossly inaccurate but will eventually cause the demise of both. Not only will it undermine our economic cores, the county will also have to get into the business of operating like a city and provide multiple services to more intense uses, such as commercial uses. For a county that continues to struggle with a tighter and tighter budget, this is not a logical or fiscally responsible path to pursue. This tactic has not proven successful in other areas and there is no reason to think it will be here. **VARD**



photo by Jazz Russell

Final Thoughts

I hope the content of this issue has conveyed that we are poised at a critical crossroads in Teton Valley’s development and growth.

VARD believes that growth is necessary and desirable for the prosperity and quality of life of Teton Valley’s citizens. Concurrently, it does not need to come at the cost of the things that we value in Teton Valley. What VARD advocates for is responsible growth, meaning growth that is channeled in accordance with our community’s vision. This can and must be done by our local government. Teton County has to tighten up its policies and ordinances to effectively shape growth and development in order to protect and enhance the aspects of our community that make it so special.

Fortunately for us, we are not the first community to experience growth. We would be foolish to not learn from those that have gone before us in other parts of the West. Many other communities have taken charge of their growth and have grown in a way that maintains the vision of their communities. We can do that in Teton Valley. With the right changes to our policies and ordinances, we can develop beautiful and affordable places to accommodate the demands of growth, while preserving and enhancing the things we value. Or we can keep with our current structure and allow much of what we hold dear to disappear. Fortunately, it is up to us, the citizens of Teton County—and subsequently our elected and appointed officials—whether we avert the *perfect storm* or not.

—Jeff Carter, Executive Director

Get Involved • Become a Member TETON VALLEY NEEDS YOU

VARD is a membership-based organization that relies on donations to continue to fulfill its mission. The goal of our Spring Fund Drive, which runs through April and May, is to raise \$100,000 towards our general operating costs. If you have found this newsletter to be informative and think that VARD’s work is important and making a difference in the valley, please consider joining us in this effort.

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Members will receive meeting invitations, regular newsletters and e-mail updates.

PLEASE RETURN THIS FORM AND YOUR CHECK TO:

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P.O. Box 1164, Driggs, ID 83422

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